

PUBLIC



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OMB APPROVAL	
OMB Number:	3235-0123
Expires:	March 31, 2016
Estimated average burden hours per response:	12.00

ANNUAL AUDITED REPORT
FORM X-17A-5
PART III

SEC FILE NUMBER
B- 69365

SEC
 Mail Processing Section
 FEB 29 2016
 Washington DC

FACING PAGE
Information Required of Brokers and Dealers Pursuant to Section 17 of the Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 1/1/2015 AND ENDING 12/31/2015
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: KSBD, LLC

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
4401 Dominion Boulevard
(No. and Street)

Glen Allen VA 23060
(City) (State) (Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT
Jeffrey Harpel 717-249-8803
(Area Code - Telephone Number)

OFFICIAL USE ONLY
FIRM I.D. NO.

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*
Postlethwaite & Netterville
(Name - if individual, state last, first, middle name)

8550 United Plaza Blvd., Suite 1001 Baton Rouge LA 70809
(Address) (City) (State) (Zip Code)

CHECK ONE:

- Certified Public Accountant
- Public Accountant
- Accountant not resident in United States or any of its possessions.

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*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

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OATH OR AFFIRMATION

I, Julie Gustavsson, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of KSBD, LLC, as of December 31, 2015, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:


Signature


Notary Public

Commonwealth of Virginia
Tammie M. Khalil - Notary Public
Commission No. 147600
My Commission Expires 1/31/2017

CEO
Title

This report ** contains (check all applicable boxes):

- (a) Facing Page.
- (b) Statement of Financial Condition.
- (c) Statement of Income (Loss).
- (d) Statement of Changes in Financial Condition.
- (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- (g) Computation of Net Capital.
- (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- (l) An Oath or Affirmation.
- (m) A copy of the SIPC Supplemental Report.
- (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

KSBD, LLC

**Statement of Financial Condition and
Exemption Report**

December 31, 2015

SEC ID 8 - 69365

**Filed pursuant to Rule 17a-5(e)(3) under
the Securities Exchange Act of 1934 as a
PUBLIC DOCUMENT.**

KSBD, LLC

Table of Contents

	Page
Report of Independent Registered Public Accounting Firm	1
Facing Page	2
Oath of Affirmation	3
Financial Statement	
Statement of Financial Condition	4
Notes to Financial Statements	5-7
Review	
Report of Independent Registered Public Accounting Firm	8
Exemption Report	9



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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Member of
KSBD, LLC
Glen Allen, Virginia

We have audited the accompanying statement of financial condition of KSBD, LLC (the Company) (a Commonwealth of Virginia corporation) as of December 31, 2015. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of KSBD, LLC as of December 31, 2015 in accordance with accounting principles generally accepted in the United States of America.

Postlethwaite & Netterville

Baton Rouge, Louisiana
February 26, 2016

KSBD, LLC

**Statement of Financial Condition
December 31, 2015**

Assets

Cash and cash equivalents	\$ 52,416
Prepaid expenses	<u>4,711</u>
Total assets	<u>\$ 57,127</u>

Liabilities and Member's Equity

Liabilities:	
Accrued expenses	\$ 19,000
Total Liabilities	<u>19,000</u>
Member's equity	<u>38,127</u>
Total liabilities and member's equity	<u>\$ 57,127</u>

The accompanying notes are an integral part of this statement.

KSBD, LLC

Notes to Financial Statements

1. Summary of Significant Accounting Policies:

Nature of Business: KSBD, LLC (the "Company"), is a broker-dealer organized in the Commonwealth of Virginia. As a broker-dealer, the Company is subject to regulations of the Securities and Exchange Commission (the "SEC") and is a member of the Financial Industry Regulatory Authority ("FINRA"). The Company is a broker-dealer in the business of referring clients who are in need of insurance investments. The Firm commenced operations in July, 2014. As of December 31, 2015 the Firm has not generated any revenues from these activities.

The Company is a single member limited liability company and is a wholly owned subsidiary of Keiter, Stephens, Hurst, Gary & Shreave, PC. (the "Parent"). These financial statements are not intended to present the consolidated financial position and the consolidated results from operations of the Parent as of, and for, the year ended December 31, 2015.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from those estimates.

Cash and Cash Equivalents: The Company considers cash and cash equivalents to include cash on deposit with financial institutions and cash equivalents in money market investments with original maturities of 90 days or less. Cash equivalents are stated at cost, which approximates fair value.

Allowance for Doubtful Accounts: The Company uses the reserve method of accounting for doubtful accounts for financial reporting purposes. As there were no accounts receivable, management has determined that no allowance is necessary at December 31, 2015.

Securities Owned: Securities transactions are recorded in the accounts on a trade-date basis.

The Company follows Financial Accounting Standard Board ("FASB") guidance with respect to fair value measurements. This guidance provides a framework for measuring fair value under Generally Accepted Accounting Principles ("GAAP"), for all financial assets and liabilities measured at fair value on a recurring basis.

There were no securities held as of December 31, 2015.

Income Taxes: The operating results of the Company are included in the income tax return filed by the Parent. The Parent, with the consent of its stockholders, has elected for income tax purposes to be an S Corporation. In lieu of corporate income taxes, the stockholders are taxed on the Parent's taxable income. Similar provisions apply for state income tax reporting. Accordingly, no provision for income taxes is provided in the accompanying financial statements.

KSBD, LLC

Notes to Financial Statements, Continued

Summary of Significant Accounting Policies (continued)

Income Tax Uncertainties: The Company adopted the accounting guidance related to accounting for uncertainty in income taxes, which sets out a consistent framework to determine the appropriate level of tax reserves to maintain for uncertain tax positions. This requires the evaluation of tax positions taken or expected to be taken in the course of preparing the Company's tax returns to determine whether the tax positions are "more-likely-than-not" of being sustained "when challenged" or "when examined" by the applicable tax authority.

Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax expense and liability in the current year. The Company is not currently under audit by any tax jurisdiction.

Management has evaluated the effect of guidance surrounding uncertain income tax positions and concluded that the Company has no significant financial statement exposure to uncertain income tax positions at December 31, 2015.

2. Related Party Transactions

The Company has entered into an Expense Sharing Agreement (the "Agreement") with the Parent. Under the Agreement, the Parent provides all administrative services including accounting and technology support services. In addition, the Agreement covers sharing of office space at the Parent's location.

3. Guarantees

As permitted or required under Virginia corporation law, the Company has certain obligations to indemnify its managers and officers for certain events or occurrences while the manager or officers are, or were serving, at the Company's request in such capacities. The maximum liability under these obligations is limited by the Code of Virginia. The Company's insurance policies serve to further limit its exposure.

4. Regulatory Requirements

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c3-1), which requires the maintenance of minimum net capital and the ratio of aggregate indebtedness to net capital, of not more than 15 to 1. At December 31, 2015, the Company had net capital of \$33,416, which was \$28,416 in excess of required minimum net capital of \$5,000. The Company's net capital ratio was 0.57 to 1.

The Company is exempt under Rule 15c3-3(k)(2)(i) from preparing the Computation of Reserve Requirements Pursuant to Rule 15c3-3.

KSBD, LLC

Notes to Financial Statements, Continued

5. Contingencies

In the normal course of business activities, the Company is subject to regulatory examinations or other inquiries. These matters could result in censures, fines or other sanctions. Management believes that outcome of any resulting actions will not be material to the Company's Statement of Financial Condition. However, the Company is unable to predict the outcome of these matters.

6. Credit Risks

Financial instruments which potentially expose the Company to concentrations of credit risk consist principally of cash and cash equivalents. The Company maintains its cash balances in financial institutions fully insured by the Federal Deposit Insurance Corporation up to \$250,000. The Company's cash balance does not exceed the insured limit.

7. Subsequent Events

Management has evaluated subsequent events through February 26, 2016, the date the financial statements were issued, and has determined that no additional disclosures are necessary.



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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Member of
KSBD, LLC
Glen Allen, Virginia

We have reviewed management's statements, included in the accompanying Exemption Report, in which (1) KSBD, LLC identified the following provisions of 17 C.F.R. §15c3-3(k) under which KSBD, LLC claimed an exemption from 17 C.F.R. §240.15c3-3:(k)(2)(i) (the "exemption provisions") and (2) KSBD, LLC stated that KSBD, LLC met the identified exemption provisions throughout the most recent fiscal year without exception. KSBD, LLC's management is responsible for compliance with the exemption provisions and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly, included inquiries and other required procedures to obtain evidence about KSBD, LLC's compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in paragraph (k)(2)(i) of Rule 15c3-3 under the Securities Exchange Act of 1934.

Postlethwaite & Netterville

Baton Rouge, Louisiana
February 26, 2016

Confidential Treatment Requested

8

KSBD, LLC
Exemption Report

KSBD, LLC
4401 Dominion Blvd
Glen Allen, VA 23060
(804) 419-2935

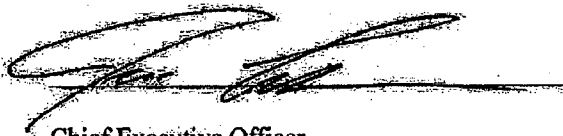
SEC #8-69365
CRD #169363

KSBD LLC (the "Company") (SEC file number 8-69365), is a registered broker-dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission (17 C.F.R. §240.17a-5, "Reports to be made by certain brokers and dealers"). This Exemption Report was prepared as required by 17 C.F.R. §240.17a-5(d)(1) and (4). To the best of its knowledge and belief, the Company states the following:

- (1) The Company claimed an exemption from 17 C.F.R. §240.15c3-3 under the following provision of 17 C.F.R. §240.15c3-3 (k): (2)(i).
- (2) The Company met the identified exemption provision in 17 C.F.R. §240.15c3-3(k)(2)(i) throughout the most recent fiscal year ended December 31, 2015, without exception.

KSBD, LLC

I, Julie Gustavsson, CEO, swear (or affirm), that, to my best knowledge and belief, this Exemption Report is true and correct.



Chief Executive Officer

February 26, 2016